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MEMORANDUM

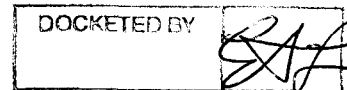
TO: Docket Control
Arizona Corporation Commission

Arizona Corporation Commission

DOCKETED

FROM: Steven M. Olea LTL for SMO
Director
Utilities Division

NOV 19 2013



Date: November 19, 2013

RE: STAFF REPORT FOR THE APPLICATION OF HARRISBURG UTILITY
COMPANY, INC. FOR AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY (DOCKET NO. W-02169A-13-0254)

Attached is the Staff Report for the application of Harrisburg Utility Company, Inc. for Commission authorization to extend its Certificate of Convenience and Necessity. Staff recommends approval with conditions.

SMO:KMS:tdp\ML

Originator: Kiana M. Sears

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DOCKET CONTROL

Service List for: Harrisburg Utility Company, Inc.
Docket No. W-02169A-13-0254

Mr. William Scott
Post Office Box 905
Salome, Arizona 85348

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION


HARRISBURG UTILITY COMPANY, INC.
DOCKET NO. W-02169A-13-0254

APPLICATION FOR EXTENSION
OF CERTIFICATE OF
CONVENIENCE & NECESSITY

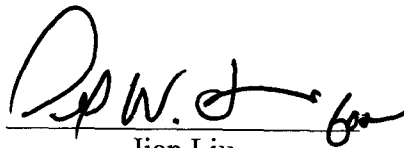
November 19, 2013

STAFF ACKNOWLEDGMENT

The Staff Report for Harrisburg Utility Company, Inc., Docket No. W-02169A-13-0254 was the responsibility of the Staff members listed below. Kiana M. Sears was responsible for preparing the Staff Report and Jian Liu prepared the Engineering Report.



Kiana M. Sears
Executive Consultant I



Jian Liu
Utilities Engineer

**EXECUTIVE SUMMARY
HARRISBURG UTILITY COMPANY, INC.
DOCKET NO. W-02169A-13-0254**

On July 24, 2013 Harrisburg Utility Company, Inc. ("Harrisburg" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for authorization to extend its current Certificate of Convenience and Necessity ("CC&N") to Castle Lakes, a subdivision consisting of 36 lots, which is contiguous to its certificated area. The extension areas are parcels of land identified as Castle Lakes Unit 1, Lots 515 through 519, Lots 551, 552 and Lots 555 through 557, and Lots 559 through 564 and Lots 566 through 569 and Lots 570 through 583, which are situated in the North 1/2 of Section 27, Township 5 North, Range 13 West, Gila and Salt River Meridian, La Paz County.

Harrisburg is in good standing with the Corporations Division of the Commission and has no outstanding issues with the Compliance Section of the Utilities Division. Also, the Arizona Department of Environmental Quality ("ADEQ") has determined that the Company is providing water that meets water quality standards required by the Arizona Administrative Code, Title 18, Chapter 4.

Harrisburg is the new name for Keaton Development Company ("Keaton") which obtained the original CC&N from the Commission in Decision No. 41705, dated November 12, 1971. Harrisburg has included all documentation required by the Commission including requests for service. On July, 23, 2013, Harrisburg filed five Best Management Practices ("BMPs"). Staff recommends the Commission approve the five BMPs as amended and detailed in the Recommendations sections of this report.

Conclusions

- Staff finds that the Company's satisfactory history of operating water systems in Arizona indicates that it is a fit and proper entity to operate water systems in the requested extension areas.

Recommendations

- Staff recommends the Commission approve the five BMP tariffs attached to this report. Staff further recommends that Harrisburg notify its customers, in a form acceptable to Staff, of the BMP tariffs authorized in this proceeding and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide copies of the BMP tariffs to any customer, upon request.
- Staff recommends that the Commission approve Harrisburg's request for extension of its current CC&N.

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INTRODUCTION

On July 24, 2013 Harrisburg Utility Company, Inc. ("Harrisburg" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to Castle Lakes, a subdivision consisting of 36 lots, which is contiguous to Harrisburg's current CC&N.

EXISTING WATER SYSTEM

Harrisburg is the new name for Keaton Development Company ("Keaton") which obtained the original CC&N from the Commission in Decision No. 41705, dated November 12, 1971. Harrisburg's current water system consists of two wells producing approximately 255 gallons per minute ("GPM"), three storage tanks (20,000 gallons and two 14,000 gallons) and a distribution system serving 501 connections. Staff's Engineering division has analyzed the Company's data and found the Company's existing water system has adequate capacity to serve its existing customers and reasonable growth, including growth in the proposed extension area.

REQUESTED CC&N EXTENSION AREAS

The extension areas are parcels of land identified as Castle Lakes Unit 1, Lots 515 through 519, Lots 551, 552 and Lots 555 through 557, and Lots 559 through 564 and Lots 566 through 569 and Lots 570 through 583, which are situated in the North 1/2 of Section 27, Township 5 North, Range 13 West, Gila and Salt River Meridian, La Paz County. Harrisburg has included in this application its articles of incorporation, by-laws, water conservation and its request for service by the land owners of the proposed CC&N extension area.

PROPOSED FACILITIES

Harrisburg's requested extension area will be serviced by the installation of 3/4 inch service lines on 6 inch mainlines to individual lots covering a seven acre parcel.

ACC COMPLIANCE

The Company is a corporation in good standing with the Corporations Division of the Commission and has no outstanding compliance issues in the records of the Compliance Section of the Utilities Division.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY ("ADEQ")

ADEQ regulates the water system under ADEQ Public Water System I.D. #15-029. ADEQ has indicated that the Company is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (National Primary Drinking Water Regulations) and the

Arizona Administrative Code, Title 18, Chapter 4. ADEQ Approval to Construct is not required for construction of service lines.

ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR")

Harrisburg received a letter from ADWR on November 14, 2012 stating that the Company's application for a Designation of Adequate Water Supply was approved.

CURTAILMENT TARIFF

The Company has an approved curtailment tariff on file with the Commission.

COST ANALYSIS

The estimated cost of the proposed construction is \$455.00 per lot, which amounts to \$16,380.00 for the 36 lots. The \$455.00 will be paid by the lot owner at the time of service request, which is in accordance with Harrisburg's Tariff.

FRANCHISE

Harrisburg has obtained approval to provide water for domestic as well as commercial purposes within La Paz, County, Arizona.

PROPOSED RATES AND CHARGES

The Company included a copy of the rates approved by the Commission in Decision No. 64176, dated October 30, 2001. Staff recommends that the Company serve the requested extension areas under those authorized rates and charges.

BEST MANAGEMENT PRACTICES ("BMP") TARIFFS

Harrisburg filed five BMPs on July 23, 2013. Staff reviewed the BMPs filed and recommends Harrisburg uses the BMP tariff templates created by Staff. Harrisburg and Staff have agreed to the five BMP tariffs attached in this report. Staff recommends that these five BMP tariffs be approved in this proceeding. Staff further recommends that Harrisburg notify its customers of the BMP tariffs authorized in this proceeding and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and provide copies of the BMP tariffs to any customer, upon request.

CONCLUSIONS

Staff concludes that Harrisburg is a fit and proper entity and it is in the public interest to approve this application to allow Harrisburg to serve the requested extension area. Staff's conclusions are based on Harrisburg's proposal, its current experience in operating a water utility

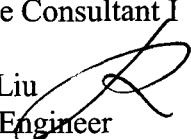
conclusions are based on Harrisburg's proposal, its current experience in operating a water utility in Arizona, and compliance record with Arizona regulatory agencies.

RECOMMENDATIONS

- Staff recommends the five BMP tariffs attached to this report, be approved for implementation in this proceeding. Staff further recommends that Harrisburg notify its customers, of the BMP tariffs authorized in this proceeding and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide copies of the BMP tariffs to any customer, upon request.
- Staff recommends approval of the Company's requested CC&N extension.

MEMORANDUM

TO: Kiana Sears
Executive Consultant I

FROM: Jian W. Liu 
Utilities Engineer

DATE: November 8, 2013

RE: Harrisburg Utility Company, Inc.
DOCKET NO. W-02169A-13-0254 (CC&N EXTENSION)

Introduction

Harrisburg Utility Company, Inc. ("HUC" or "Company") filed an application for a Certificate of Convenience and Necessity ("CC&N") extension on July 23, 2013. Staff issued a Sufficiency Letter on October 1, 2013. The Company is located in the Town of Salome in La Paz County, Arizona. The Company's existing CC&N covers an area totaling approximately 3 square miles.

The proposed extension area includes a 7-acre parcel of land in the Castle Lakes Subdivision. According to the Company, Castle Lakes Subdivision was approved by the County in 1972. All lots in Phase I and II were sold but utilities were not built. This application requests an extension of Harrisburg Utility's CC&N to provide water services to 36 unserved lots where the property owners are requesting the Company provide them water service. Harrisburg Utility currently owns an existing water supply main, running adjacent to the 36 unserved lots in the proposed CC&N extension area.

Existing Water System Description

The facility consists of two wells producing approximately 255 gallons per minute ("GPM"). The system also has three storage tanks (one 20,000 gallons, and two 14,000 gallons each), and a distribution system serving 501 connections.

Capacity of Existing System

The Company's existing water system has adequate capacity to serve existing customers and reasonable growth, including growth in the proposed extension area.

Cost Analysis

The only infrastructure needed is the service line and meter connection to the Company's existing 6-inch main. The Company has an approved tariff of \$455.00 for each ¾-inch service line and meter installation.

There is no ADEQ Certificate of Approval to Construct ("ATC") permit needed for this installation.

Staff has reviewed the proposed construction and found the plant facilities and cost to be reasonable and appropriate. However, approval of this CC&N extension application does not imply any particular future treatment for determining the rate base. No "used and useful" determination of the proposed plant-in-service was made, and no conclusions should be inferred for rate making or rate base purposes in the future.

Arizona Department of Environmental Quality ("ADEQ") Compliance

ADEQ reported that the HUC drinking water system, Public Water System ("PWS") Identification Number 15-029, is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (Title 40 Code of Federal Regulations Part 141 National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4. (ADEQ report dated November 3, 2013).

Arizona Department of Water Resources ("ADWR") Compliance

The Company is not located in any Active Management Area ("AMA") and is not subject to any ADWR AMA reporting and conservation requirements. ADWR reported that HUC is currently in compliance with departmental requirements governing water providers and/or community water systems. (ADWR compliance status report dated October 21, 2013)

Arizona Corporation Commission ("ACC") Compliance

A check with the ACC Utilities Division Compliance Section showed no delinquent compliance items for the Company. (ACC Compliance Section Email dated October 21, 2013).

Best Management Practices ("BMP") Tariffs

HUC filed five BMPs on July 23, 2013, Staff reviewed the BMPs filed and recommends HUC use the BMP tariff templates created by Staff. HUC and Staff have agreed to the five BMP tariffs attached in this report. Staff recommends that these five BMP tariffs be approved for implementation in this proceeding. Staff further recommends that HUC notify its customers, in a form acceptable to Staff, of the BMP tariffs authorized in this proceeding and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide copies of the BMP tariffs to any customer, upon request.

Curtailment Plan and Backflow Prevention Tariffs

HUC has an approved Curtailment Plan and Backflow Prevention Tariffs on file with the Commission.

Summary

Conclusions

1. The Company's existing water system has adequate capacity to serve existing customers and reasonable growth, including growth in the proposed extension area.
2. HUC has approved Curtailment Plan and Backflow Prevention Tariffs on file with the Commission.
3. ADEQ reported that the HUC drinking water system (PWS Number 15-029) is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (Title 40 Code of Federal Regulations Part 141 National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4. (ADEQ report dated November 3, 2013).
4. The Company is not located in any AMA and is not subject to any ADWR AMA reporting and conservation requirements. ADWR reported that HUC is currently in compliance with departmental requirements governing water providers and/or community water systems. (ADWR compliance status report dated October 21, 2013).
5. A check with the ACC Utilities Division Compliance Section showed no delinquent compliance items for the Company. (ACC Compliance Section Email dated October 21, 2013).

Recommendation

1. HUC and Staff have agreed to the five BMP tariffs attached in this report. Staff recommends that these five BMP tariffs be approved for implementation in this proceeding. Staff further recommends that HUC notify its customers, in a form acceptable to Staff, of the BMP tariffs authorized in this proceeding and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide copies of the BMP tariffs to any customer, upon request.

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

Local and/or Regional Messaging Program Tariff – BMP 1.1

PURPOSE

A program for the Company to actively participate in a water conservation campaign with local or regional advertizing (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
 - a. Television commercials
 - b. Radio commercials
 - c. Websites
 - d. Promotional materials
 - e. Vehicle signs
 - f. Bookmarks
 - g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of the messaging program implemented and program dates.
 - b. The number of customers reached (or an estimate).
 - c. Costs of Program implementation.

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

Adult Education and Training Programs Tariff – BMP 2.1

PURPOSE

A program for the Company to implement adult education and training programs which promote water conservation and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.1: Adult Education and Training Programs).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Programs shall include a combination of efforts to provide adults within the Company's service area with hands-on training. This shall include free workshops (held at least twice annually) that emphasize water efficient outdoor landscaping for homeowners and landscape professionals. Programs shall target homeowners, landscape professionals and non-residential users in the Company's service area.
2. The Company shall make available at no charge to its customers free pamphlets covering water conservation, reclaimed water, leak detection, irrigation, landscape design and low water use plants. This literature shall be available at Company offices during regular business hours, at model home sites, libraries, chambers of commerce, at the Company provided workshops, and at community events.
3. The Company shall make available Self-Audit Kits and Guides for homeowners in its service area.
4. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of the adult conservation education process implemented.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written material and hands-on training provided free to customers.
 - d. Implementation costs of the adult education and training programs.

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and provide the customer with water conservation measures. The leak detection inspection may consist of a meter read check for flow verification. If the on-site inspection is requested by the customer, the Commission approved meter re-read tariff fee shall apply.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

Leak Detection Program Tariff – BMP 4.1

PURPOSE

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall inspect its water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
 - a. areas with a history of excessive leak and break rates;
 - b. areas where leaks and breaks can result in the heaviest property damage;
 - c. areas where system pressure is high;
 - d. areas exposed to stray current and traffic vibration;
 - e. areas near stream crossings; and,
 - f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of the leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.
5. The Company shall maintain a complete set of updated distribution system maps.
6. The Company shall ensure that properly functioning (accurate) and appropriately sized meters are installed on all service and source connections. All meters 1-inch and smaller shall be inspected at least once every ten years or upon registering 1,000,000 gallons of

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

usage, whichever comes first. Meters larger than 1-inch shall be inspected at least once every five years or upon registering 1,000,000 gallons of usage, whichever comes first.

7. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
8. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
 - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
 - b. Track and estimate any unmetered authorized uses.
 - c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = [(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100$$
 - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
9. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

Company: _____

Decision No.: _____

Phone: _____

Effective Date: _____

Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters for repair or replacement (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).


REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram any water meters that do not register in gallons. Upon the effective date of this tariff, the Company shall install all replacement meters with new:
 - a. 1-inch and smaller meters that register in 1 gallon increments,
 - b. 1-1/2-inch through 4-inch meters that register in 10 gallon increments, and
 - c. 6-inch and larger meters that register in 100 gallon increments.
5. The Company shall keep records of all inspected and replacement meters and make this information available to the Commission upon request.

MEMORANDUM

TO: Kiana Sears
Executive Consultant II
Utilities Division

FROM: Lori H. Miller 
GIS Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: August 16, 2013

RE: **HARRISBURG UTILITY CO., INC. (DOCKET NO. W-02169A-13-0254)**

The area requested by Harrisburg Utility for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached is a copy of the map for your files.

/lhm

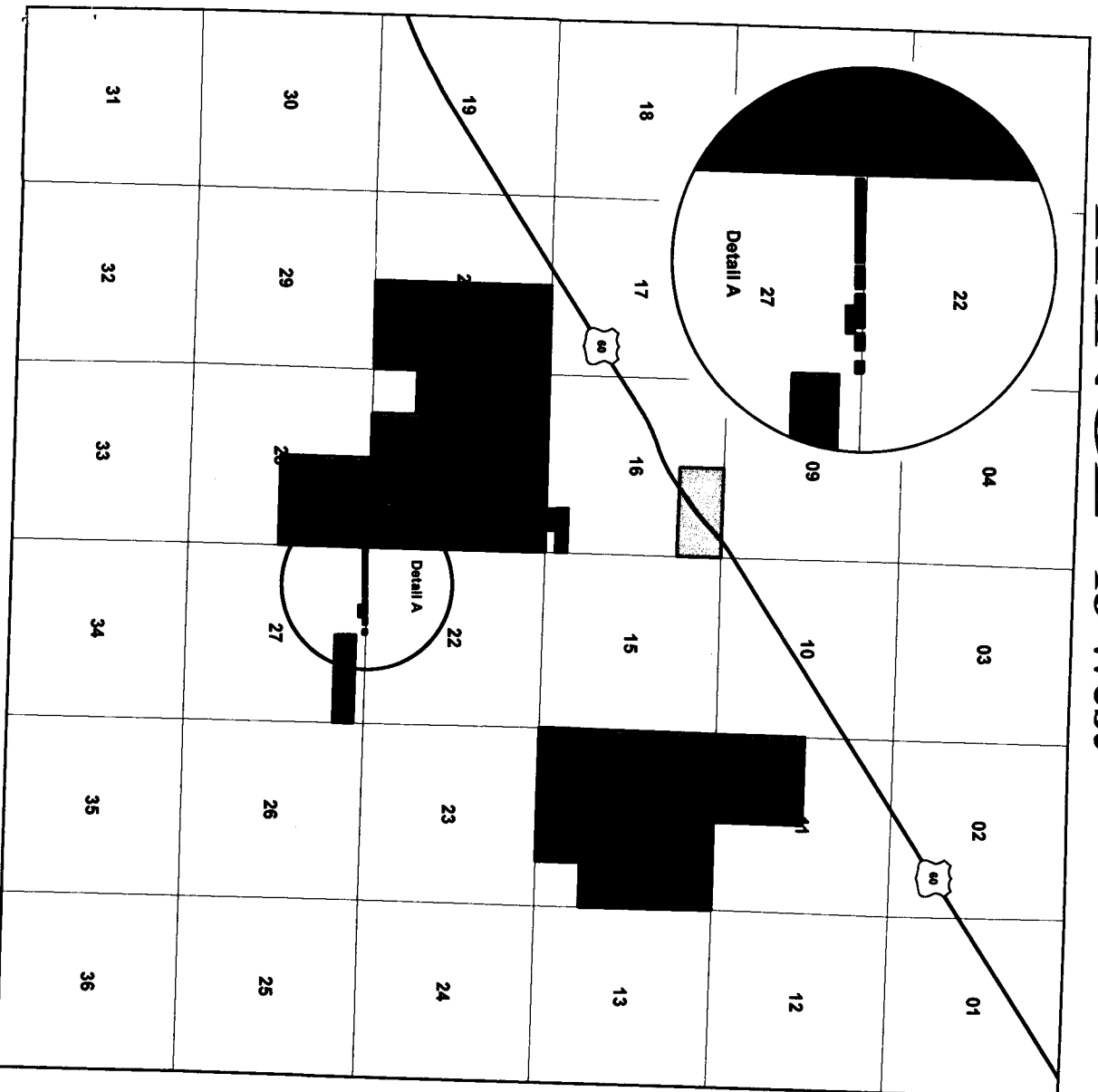
Attachment

cc: Mr. William Scott
Mr. Jian Liu
Ms. Deb Person (Hand Carried)
File

LA PAZ COUNTY

Map No. 4

RANGE 13 West



TOWNSHIP 5 North

W-02169A (1)

Harrisburg Utility Company, Inc.

W-01084A (1)

Salome Water Company

(1)

Harrisburg Utility Company, Inc.
Docket No. W-02169A-13-0254
Application for Extension



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602-542-4251

TR5N13W 06 JAN 2010

EXHIBIT "B"

Those parcels of land situated in the North 1/2 of Section 27, Township 5 North, Range 13 West, Gila and Salt River Meridian, La Paz County, Arizona, being shown as Lots 515 through 519 and Lots 551 and 552 and Lots 555 through 557 and Lots 559 through 564 and Lots 566 through 569 and Lots 570 through 583, Castle Lakes Unit 1, Book 6 of Maps, Page 19 (R1), Official Records of Yuma (now La Paz) County, Arizona, and being more particularly described as follows:

Commencing for reference at a 1/2" rebar at the NW corner said Section 27;

Thence S89°55'15"E along the Northerly line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 75.13 feet;

Thence S0°04'45"W a distance of 40.00 feet to a point on the Southerly line of said 65th. Street (R1) [Northerly line of said Lot 583 (R1)], said point also being the POINT OF BEGINNING;

Thence S89°55'15"E, parallel with and 40.00 feet Southerly of the Northerly line of said Section 27 [along the Southerly line of said 65th. Street (R1)], a distance of 1048.60 feet to a point on the North line of said Lot 570 (R1) at the beginning of a curve to the right, concave to the Southwest, having a radius of 25.00 feet and a central angle of 90°00'00";

Thence Southeasterly along said curve [Northeasterly line of said Lot 570 (R1)] an arc distance of 39.27 feet;

Thence S00°04'45"W a distance of 85.00 feet to the Southeast corner of said Lot 570 (R1);

Thence N89°55'15"W a distance of 1098.43 feet to the Southwest corner of said Lot 583 (R1), said corner also being a point on the Easterly right-of-way line of Harquahala Road (R1);

Thence N0°02'00"W, parallel with and 50.00 feet Easterly of the Westerly line of said Section 27 [along said Easterly line of Harquahala Road (R1)] [along the Westerly line of said Lot 583 (R1)], a distance of 84.95 feet to the beginning of a curve to the right, concave to the Southeast, having a radius of 25.00 feet and a central angle of 90°06'45";

Thence Northeasterly along said curve [Northwesterly line of said Lot 583 (R1)] an arc distance of 39.32 feet to the POINT OF BEGINNING.

Containing 2.78 Acres (120570.03 Sq.ft.), more or less.

AND

Commencing for reference at a 1/2" rebar at the NW corner of said Section 27;

Thence S89°55'15"E along the Northerly line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 1223.73 feet;

Thence S0°04'45"W a distance of 40.00 feet to a point on the Southerly line of said 65th. Street (R1) [on the North line of said Lot 569 (R1)], said point also being the POINT OF BEGINNING;

Thence S89°55'15"E, parallel with and 40.00 feet Southerly of the North line of said Section 27 [along the Southerly line of said 65 th. Street (R1)], a distance of 275.00 to the Northeast corner of said Lot 566 (R1);

Thence S0°04'45"W a distance of 110.00 feet to the Southeast corner of said Lot 566 (R1);

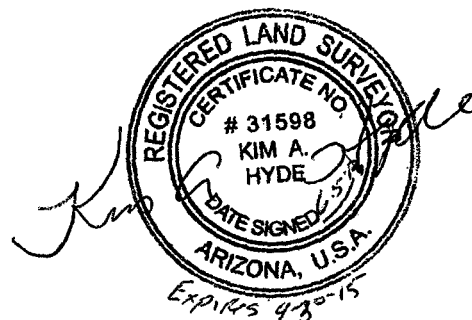
Thence N89°55'15"W a distance of 300.00 feet to the Southwest corner of said Lot 569 (R1);

Thence N0°04'45"E along the Westerly line of said Lot 557 (R1) a distance of 85.00 feet to the beginning of a curve to the right, concave to the Southeast, having a radius of 25.00 feet and a central angle of 90°00'00";

Thence Northeasterly along said curve [Northwesterly line of said Lot 569 (R1)] an arc distance of 39.27 feet to the POINT OF BEGINNING.

Containing 0.75 Acres (32865.81 Sq.ft.), more or less.

(CONT.)



AND

Commencing for reference at a 1/2" rebar at the NW corner of said Section 27;

Thence S89°55'15"E along the North line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 1572.73 feet;

Thence S0°04'45"W a distance of 40.00 feet to a point on the Southerly line of said 65th. Street (R1) at the Northwest corner of said Lot 564 (R1), said point also being the POINT OF BEGINNING;

Thence S89°55'15"E, parallel with and 40.00 feet Southerly of the North line of said Section 27 [along the Southerly line of said 65 th. Street (R1)], a distance of 444.00 feet to the Northeast corner of said Lot 559 (R1);

Thence S00°04'45"W a distance of 110.00 feet to the Southeast corner of said Lot 559 (R1);

Thence N89°55'15"W a distance of 444.00 feet to the Southwest corner of said Lot 564 (R1);

Thence N00°04'45"E a distance of 110.00 feet to the POINT OF BEGINNING.

Containing 1.12 Acres (48839.91 Sq.ft.), more or less.

AND

Commencing for reference at a 1/2" rebar at the NW corner of said Section 27;

Thence S89°55'15"E along the North line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 2090.73 feet;

Thence S0°04'45"W a distance of 40.00 feet to a point on the Southerly line of said 65th. Street (R1) at the Northwest corner of said Lot 557 (R1), said point also being the POINT OF BEGINNING;

Thence S89°55'15"E a distance of 222.00 feet to the Northeast corner of said Lot 555 (R1);

Thence S00°04'45"W a distance of 110.00 feet to the Southeast corner of said Lot 555 (R1);

Thence N89°55'15"W a distance of 222.00 feet to the Southwest corner of said Lot 557 (R1);

Thence N00°04'45"E to the POINT OF BEGINNING.

Containing 0.56 Acres. (24419.96 Sq.ft.), more or less.

AND

Commencing for reference at a 1/2" rebar at the NW corner of said Section 27;

Thence S89°55'15"E along the North line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 2460.73 feet;

Thence S0°04'45"W a distance of 40.00 feet to a point on the Southerly line of said 65th. Street (R1) at the Northwest corner of said Lot 552 (R1), said point also being the POINT OF BEGINNING;

Thence S89°55'15"E a distance of 128.00 feet to a point on the North line of said Lot 551 (R1) at the beginning of a curve to the right, concave to the Southwest, having a radius of 25.00 feet and a central angle of 90°00'00";

Thence Southeasterly along said curve [Northeasterly line of said Lot 551 (R1)] an arc distance of 39.27 feet;

Thence S00°04'45"W a distance of 85.00 feet to the Southeast corner of said Lot 551 (R1);

Thence N89°55'15"W a distance of 153.00 feet to the Southwest corner of said Lot 552 (R1);

Thence N00°04'45"E a distance of 110.00 feet to the POINT OF BEGINNING.

Containing 0.38 Acres. (16695.84 Sq.ft.), more or less.

(CONT.)



AND

Commencing for reference at a 1/2" rebar at the NW corner of said Section 27;

Thence S89°55'15"E along the North line of said Section 27 [centerline of 65 th. Street (R1)] a distance of 1720.73 feet;

Thence S0°04'45"W a distance of 166.00 feet to the Northwest corner of said Lot 515 (R1), said corner also being the POINT OF BEGINNING;

Thence S89°55'15"E a distance of 370.00 feet to the Northeast corner of said Lot 519 (R1);

Thence S00°04'45"W a distance of 110.00 feet to the Southeast corner of said Lot 519 (R1);

Thence N89°55'15"W a distance of 370.00 feet to the Southwest corner of said Lot 515 (R1);

Thence N00°04'45"E a distance of 110.00 feet POINT OF BEGINNING.

Containing 0.93 Acres. (40699.92 Sq.ft.), more or less.

Containing in total 6.445940 Acres (284091.39 Sq. ft.), more or less.

BASIS OF BEARINGS AND DISTANCES per the plat of Castle Lakes Unit 1, Book 6 of Maps, Page 19 (R1), Official Records of Yuma (now La Paz) County, Arizona.

